

HOPE VI PLANNING GRANT CLOSEOUT PROCEDURES

A. TERMINATION OF DISBURSEMENTS

1. **Grantee Notification Letter**

To begin the Closeout process, within **30 calendar days** after completion of all HOPE VI-funded program activities, the Grantee must send a Termination of Disbursements letter to HUD's Office of Public Housing Investments (OPHI) that includes the items listed below.

The Grantee's Termination of Disbursements letter must state that:

- a. The Grantee has completed all activities to be performed using HOPE VI planning grant funds.
- b. All requirements of the Grant Agreement have been met.
- c. All obligated HOPE VI grant funds have been disbursed.
- c. The Grantee will abide by any continuing Federal requirements.
- e. The Grantee will submit all required Closeout documentation.

2. **Pre-Audit End Date**

Upon receipt of the Grantee's Termination of Disbursements letter, OPHI will enter, as the Pre-Audit End Date, the date of the letter. This action will prevent any further disbursements, and will stop LOCCS from automatically sending Quarterly Report reminder letters to the Grantee.

B. PRELIMINARY CLOSEOUT

Preliminary Closeout takes place within **90 calendar days** following completion of all activities to be performed using HOPE VI grant funds. At HUD's option, the Grantee may delay initiation of Closeout until the resolution of any HUD-monitoring findings. If HUD exercises this option, the Grantee must promptly resolve the findings.

1. Required Submissions

a. Final Budget

The Grantee must submit Form HUD-52825 (HOPE VI Budget), marked "final," that shows all expenditures by Budget Line Item.

b. Final Financial Report

The Grantee must submit to OPHI a Final Financial Report (Form SF-269-A), which contains a cumulative summary of expenditures to date and indicates the exact balance of unexpended funds. Expenditure of grant funds is allowable only for expended project costs that meet the standards of OMB Circular A-87.

c. Actual HOPE VI Cost Certificate

The Grantee must submit Form HUD-53001-A, Actual HOPE VI Cost Certificate (AHCC). This form summarizes the information on the Final Financial Report, and serves as the document that officially closes out the grant.

d. Revitalization Concept

The Planning Grant Agreement requires that each Planning Grantee provide a "Revitalization Concept" to OPHI, which includes:

- (1) a summary of the steps taken
- (2) the concepts developed, and
- (3) the parameters of a proposed revitalization plan.

The Grant Agreement also requires a post-grant report that describes:

- (4) the activities carried out
- (5) the impact of the activities toward achieving the program objectives,
- (6) the Grantee's plan for continuing the activities, if and as appropriate

- (7) any other plans, reports or documents developed under the Revitalization Planning Strategy and useful or necessary to showing what the Grantee has accomplished with the HOPE VI funds.

Because the goal of planning grants is to prepare housing authorities to implement HOPE VI activities, the submission of a HOPE VI implementation application in FY 1996 or 1997 for at least one of the planning sites will satisfy all of the above requirements, whether or not an implementation grant was awarded.

Any planning Grantee that has not submitted an implementation application for a planning site in FY 96 or FY 97 must submit a document that responds to the requirements listed above.

2. **OPHI Review of Closeout Documents**

Upon receipt of the Required Submissions from the Grantee, OPHI will review them to determine the Grantee's compliance with the Grant Agreement. The Grantee will be expected to cooperate with any review by making available records requested by HUD. OPHI shall review the submissions as follows:

- a. The amounts on the final Budget and the AHCC must agree as to funds approved, obligated, and expended. OPHI will re-spread the Budget Line Items (BLIs) in LOCCS to reflect actual expenditures by BLI that exceed 110 percent of the authorized amounts.
- b. The amount of funds approved and disbursed on the AHCC must agree with Departmental records in LOCCS.
- c. If a dollar figure on Line 1.E of the AHCC indicates that HUD disbursed more funds than the Grantee expended, OPHI will direct the Grantee to remit immediately the excess funds, without waiting for the audit. If the amount to be returned is \$2,000 or less, the Grantee must prepare a check payable to the Department of HUD, note the Grant Number on the check, and mail the check to the appropriate Grant Manager for deposit. If the amount is over \$2,000, the Grantee must request its financial institution to wire the funds to HUD in accordance with instructions set forth in the Financial Management Handbook 7485.1, as revised. The wire transfer must identify the URP Program Area and the Grant Number.

- d. Once any excess funds have been returned, the amounts approved, obligated, expended, and shown as disbursed in LOCCS should be identical, and those amounts must be reflected on a revised AHCC.

3. **Preliminary Approval of Closeout**

When the amounts disbursed, obligated and expended are equal in LOCCS, OPHI shall:

- a. preliminarily approve the AHCC by signing the top HUD line, signifying that it is approved for audit.
- b. approve the Final Budget.
- c. realign drawdowns that exceed authorized amounts by over 110 percent.
- d. send a letter to the Grantee transmitting a copy of the preliminarily approved AHCC and Final Budget.

C. FINAL AUDIT

Each Housing Authority is required to conduct an audit in accordance with the requirements of OMB Circular A-133 (included as Chapter 7.E of the 1997 Revision of the HOPE VI Guidebook). When contracting for an auditor, the PHA should require that statements of actual HOPE VI costs, certified to by the PHA and submitted to HUD during the audit period, be included in the audit's scope and as required supplemental information in the audit report. The Grantee must ensure that the auditor has the AHCC for review.

The HUD Field Office will review the audit report to determine if any findings have been identified with respect to the HOPE VI funds. Unless the auditor states otherwise in the audit report, the PHA-certified cost should be considered acceptable by HUD. The Field Office must notify OPHI of any identified findings, OPHI and the Field Office will work with the PHA to close the finding. If the audited AHCC indicates that HOPE VI funds were expended for ineligible activities or at inappropriate amounts, the Grantee may be required to return such funds to HUD in the manner prescribed in Section B.2.c above. The HUD Official that reviews the audit for consistency with the AHCC must sign the second HUD line of the AHCC.

D. FINAL CLOSEOUT**1. Final Approval of the AHCC**

When HUD has determined that the expenditure of grant funds was allowable, the activities to be completed using HOPE VI grant funds were completed as required by the Grant Agreement, and all Federal requirements were satisfied, the designated HUD official will sign the bottom line of the AHCC. The original and copies will be distributed as follows:

- a. One copy to the Grantee for its files.
- b. One copy to HUD's Office of Finance and Accounting (OFA), to be attached to OFA's copy of the Grant Agreement. The AHCC will serve to automatically amend the Grant Agreement to reduce the amount of the grant to the actual revitalization/planning cost.
- c. The original will be retained in the Grant Manager's Docket file.

2. Post-Audit End Date

The Grant Manager will ensure that the Post-Audit End Date is entered in LOCCS. This date interfaces with PAS to record that the grant has been closed out. Entry of the Post-Audit End Date will automatically recapture all undisbursed balances through LOCCS and officially close out the grant.